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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/812,902	03/31/2004	Craig Farr	SSB0004	4994

27510 7590 10/11/2005

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607 14TH STREET, N.W.
WASHINGTON, DC 20005

EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 10/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary

Application No.

10/812,902

Applicant(s)

FARR, CRAIG

Examiner

Narayanswamy Subramanian

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 February 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 31 March 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>2/1/2005</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Original claims 1-22 are pending in the application and have been examined. The rejections are stated below.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-22 are rejected under 35 U.S.C. 5 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 1-11 recite "A financial instrument". It is not clear if the claimed invention is a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof". A financial instrument is essentially a contract and as such does not fall into one of the above-mentioned categories.

Further, claims 1-11 are directed to disembodied data structure which are per se are not statutory (*In re Warmerdam*, No. 93-1294 (Fed. Cir. August 11, 1994)). Note that functional descriptive material consists of data structure and computer programs, which impart functionality when employed as a computer component. Nonfunctional descriptive material includes but is not limited to music, literary works and a compilation or mere arrangement of data. In the present case, the claimed data structure is mere arrangement of data pertaining to a financial instrument without any associated functionality.

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Claims 12-22 are rejected under 35 U.S.C. 5 101 because the claimed invention is directed to a non-statutory subject matter. Specifically the method claim as presented does not claim a technological basis in the preamble and the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since it is not precedential].

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

5. Claims 1-11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is not clear if by the term “A financial instrument”, the Applicants mean “a method”, “an apparatus” or “a process”.

Clarification is required.

Claims 12-22 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are: In claim 12 it is not clear as to how the step of offering a forward purchase contract is related to the other steps of the claim. The other steps of the claim can be performed without the step of offering a

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forward purchase contract. Claims 13-22 are rejected by dependency. Appropriate clarification/correction is required.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Birle Jr. et al (US Pub. No. 2003/0130941 A1).

Claims 1 and 12, Birle teaches the step of providing a first acceleration trigger clause to designate a contingency prior to a predetermined date upon a happening of a first predetermined event (See Birle Paragraph 39).

Birle does not explicitly the steps of offering a fixed income instrument having a predetermined remarketing date for remarketing the fixed income instrument; offering a coupon for the fixed income instrument; offering a forward purchase contract to purchase at least one equity share at a predetermined future contract date.

Discussion of prior art in the applicant's specification discloses the steps of offering a fixed income instrument having a predetermined remarketing date for remarketing the fixed income instrument; offering a coupon for the fixed income instrument; offering a forward purchase contract to purchase at least one equity share at a

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predetermined future contract date (See Applicant's discussion of prior art in paragraphs 7 and 8 on pages 3 and 4).

Both the disclosed prior art by the applicant and Birle are concerned with offering of hybrid securities to meet the needs of the issuer and the investor. It would have been obvious to one of ordinary skill in the art to include the disclosed prior art to the disclosure of Birle. The combination of disclosures suggests that issuers would have benefited from having the financial instruments structured to suit their individual needs and requirements.

Claims 2 and 13, Birle teaches the step of providing a second acceleration trigger clause designating a second date to make a contingent payment upon a happening of a second predetermined event (See Birle Paragraph 39). The contingent payment is interpreted to include payments to purchase the at least one equity share.

Claims 3 and 14, Birle teaches providing a second acceleration trigger clause designating a third date to designate a contingency upon a happening of a second predetermined event (See Birle Paragraph 39). The contingency is interpreted to include remarketing the fixed income instrument prior to the predetermined remarketing date.

Claims 4-11 and 15-22, Birle discloses multiple triggers that may be triggered at any time (See Birle Paragraph 39). The multiple triggers that may be triggered at any time are interpreted to include the specific dates and features included in these claims.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

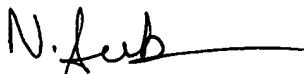
(a) Birle, Jr. et al (US Pub. No. 2003/0135446 A1) (July 17, 2003) Contingent Convertible Financial Instruments

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(b) Farr Lucy et al "Contingent Convertibles" Practical US/International Tax Strategies, 13 February 2002, pp 1-2

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (571) 272-6747. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Dr. N. Subramanian
October 2, 2005